

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)
Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West for Approval) Case No. EO-2026-0129
of an Amendment to Nucor Steel)
Sedalia, LLC Agreement)

EVERGY MISSOURI WEST’S STATEMENT OF POSITIONS

Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW” or the “Company”) hereby respectfully submits its *Statement of Positions* on the issues set forth in the parties’ May 15, 2026, *Jointly Proposed List of Issues*:¹

- A. Should the Commission approve an amendment to the Special Rate for Incremental Load Service (“SIL”) dated July 11, 2019 (the “Nucor Agreement”) between EMW and Nucor Steel Sedalia, LLC (“Nucor”), which would allow Nucor to participate in any demand response programs offered by Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”) (subject to the availability and terms of each specific program)?**

EMW POSITION: Yes. Nucor’s participation in EMW’s demand response (“DR”) programs, including those offered pursuant to the Missouri Energy Efficiency Investment Act (“MEEIA”), benefits customers and harms no one. [File Direct at 7-8; File Surrebuttal at 2-3]. In addition, EMW needs the capacity available from Nucor’s participation in demand response, which in turn again benefits customers. [File Direct at 4-7; File Surrebuttal at 5-6]. All parties have acknowledged Southwest Power Pool’s (“SPP”) increased planning reserve margin requirements—of 36% margin in winter and 16% margin in summer—which take effect this summer 2026. [E.g., Tevie Rebuttal at 5]. EMW’s recent 2026 integrated resource plan (“IRP”) Annual Update shows EMW with capacity deficits across the planning horizon and requiring

¹ The Company does not necessarily agree with the wording of some issues or inclusion of all of the issues set out herein. The inclusion of an issue and the Company’s position thereon in the list below does not mean all parties agree with such issue’s characterization, that such issue identified is actually in dispute, and/or that a Commission decision on such issue is proper or necessary in this case.

additional summer capacity in 2027–2029. [File No. EO-2024-0154, 2026 IRP Annual Update (May 7, 2026)].

To meet those IRP goals, EMW plans to seek CCN approval for over 1.3 GW of new generation by 2030, while demand response still remains central to satisfying accreditation requirements. [File Direct at 4-7; File Surrebuttal at 12]. Nucor, for its part, has already delivered measurable benefits: in 2021 and 2022, Nucor’s verified peak demand reductions of over ** [REDACTED] ** (“MW”) each year produced more than ** [REDACTED] ** in avoided capacity-cost benefits for EMW customers, against ** [REDACTED] ** in incentives paid to Nucor. This equals a benefit/cost ratio greater than ** [REDACTED] **. [File Direct at 7-8; Sched. BF-5; File Surrebuttal at 2-3]. The SIL tariff grants the Commission authority to approve the amendment proposed by EMW and Nucor in their May 18, 2026, *Non-Unanimous Stipulation and Agreement* (the “Stipulation and Agreement”), in that Schedule SIL bars demand response participation unless otherwise ordered by the Commission when approving a contract for service under the SIL tariff. [Non-Unanimous Stipulation and Agreement, File No. EO-2026-0129 (May 18, 2026); Sched. SIL, Sheet 157; File Direct at 3-4].

- 1. In doing so, should the Commission approve an amendment permitting Nucor to participate in EMW’s business demand response (“BDR”) program pursuant to the Missouri Energy Efficiency Investment Act, RSMo § 393.1075 (“MEEIA”)?**

EMW POSITION: Yes. In 2021 and 2022, Nucor’s ** [REDACTED] ** MW of verified peak demand reductions produced over ** [REDACTED] ** in avoided capacity-cost benefits for EMW customers. That is more than twice the ** [REDACTED] ** in incentives paid, for a benefit/cost ratio exceeding ** [REDACTED] **. [File Direct at 8; File Surrebuttal at 2]. The Commission has already classified the BDR program as interruptible or curtailable, and Mo. Rev. Stat. § 393.1075.10 entitles opt-out customers to participate in such programs. [File Surrebuttal at 4–5; EO-2019-0132 Order (Mar.

11, 2020) at 30]. Nucor sits in the same posture. MEEIA is state policy, fixed by statute and reaffirmed when the Commission approved EMW’s MEEIA Cycle 4 demand response programs. [File Surrebuttal at 12]. Routing Nucor into MEEIA fits the existing framework and again, does not harm other ratepayers. The Staff of the Commission’s (“Staff”) proposed alternatives (to which the Office of Public Counsel (“OPC”) simply subscribes), by contrast, attempt to avoid MEEIA and are not workable, as discussed by EMW’s witnesses in their pre-filed testimony.

a. If the Commission approves Nucor’s participation in the MEEIA BDR program, what, if any, conditions should Nucor’s participation in the MEEIA BDR program be subject to?

EMW POSITION: None beyond those already in Schedule SIL, the Nucor Agreement, the EO-2019-0244 Stipulation, and the May 18, 2026 Stipulation and Agreement. Five existing protections ensure that customers are not and will not be harmed by Nucor’s participation: the SIL tariff’s hold-harmless mechanism, the SIL-specific FAC subaccounts, the rate-case revenue imputation EMW performs, the 25%/4-hour deviation tracking, and the planned outage notice obligations, all of which are described in detail by EMW’s witnesses. [File Direct at 11–12; Sched. BF-4 at 3–4, ¶10]. Nucor would participate on the same pay-for-performance terms as every other Cycle 4 BDR participant. [File Surrebuttal at 6].

2. Would Nucor’s participation in EMW’s MEEIA BDR program produce benefits to all EMW customers?

EMW POSITION: Yes. As discussed above, the benefit is system-wide capacity value. SPP credits Nucor’s tested summer reductions against Evergy’s resource adequacy obligation, cutting the MW EMW must otherwise procure through capacity contracts or new generation [File Surrebuttal at 5–7]—either of which would undoubtedly be more costly in the current and future market than capacity from Nucor’s participation in EMW’s BDR program. Every customer shares in the benefit of that resource adequacy reduction. [File Direct at 8; File Surrebuttal at 2].

a. **Do the quantified benefits of Nucor’s participation in EMW’s MEEIA BDR program exceed the quantified costs?**

EMW POSITION: Yes. Avoided capacity-cost benefits of ** [REDACTED] ** against ** [REDACTED] ** in incentives yields a ratio above ** [REDACTED] **. [File Direct at 7-8; File Surrebuttal at 2-3]. The inputs are Commission-approved Cycle 3 avoided capacity costs and third-party measured-and-verified reductions. [File Surrebuttal at 3; File Direct at 8; Sched. BF-5]. They omit transmission and distribution avoided-cost benefits, and the real ratio likely runs higher. [File Surrebuttal at 3; File Direct at 8]. Staff’s witness Mr. Kiesling complains of “no supporting workpapers” [Kiesling Rebuttal at 5], but he overlooks the Commission’s March 2020 Order in File No. EO-2019-0132 setting the avoided-cost values, which were carried forward into Cycle 4 and approved by the Commission when it approved the Cycle 4 Stipulation. [EO-2019-0132 Order (Mar. 11, 2020) File Surrebuttal at 3].

For example, EMW’s witness Brian File cited roughly \$20,000 in revenue impact in 2022 against \$1.297 million in benefits. [File Direct at 10–11]. He also testified that such benefit likely understates the going-forward value. EMW’s 2026 IRP Annual Update shows capacity deficits across the planning horizon and confirms that procuring an equivalent MW of market capacity in 2026, 2027, or 2028 would be substantially more expensive than the cost of Nucor’s MEEIA BDR participation, as market capacity is expected to be higher-priced and scarce as SPP tightens its resource adequacy requirements. [File No. EO-2024-0154, 2026 IRP Annual Update]. Staff demands that EMW name a specific generation project that Nucor’s MW avoided, but the Commission has already rejected that premise: “Nowhere does the MEEIA statute say that a supply-side resource must be avoided or deferred.” [EO-2019-0132 Order (Mar. 11, 2020) at 22; File Surrebuttal at 7].

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b. Does EMW’s MEEIA BDR program have a sufficient verification process for curtailments?

EMW POSITION: Yes. ADM & Associates sets and runs the baseline methodology as third-party evaluation consultant. Staff’s own EM&V consultant, Evergreen Economics, oversees the work. [File Surrebuttal at 8]. Neither evaluator flagged Nucor’s baseline or any methodological concern in the 2021 or 2022 reviews. [File Surrebuttal at 8]. Participants are paid only for measured demand reduction after each event. [File Surrebuttal at 7]. SPP separately validates the MW that count toward resource adequacy. [File Surrebuttal at 10]. Staff’s new third-party auditor will evaluate EMW’s avoided-cost values again in the PY1 (2025) EM&V report later this year. [File Surrebuttal at 3]. Staff put forward no evidence that the baseline overstates Nucor’s reductions. [File Surrebuttal at 9]. Moreover, SPP’s process requirements for verifying resource adequacy credit are no more stringent than EMW’s; any additional verification requirements apply to participation in SPP’s energy and ancillary services markets, not to capacity accreditation for resource adequacy. [File Surrebuttal at 8–10; Meitner Surrebuttal at 4–5]. Indeed, neither Staff nor OPC performed any independent quantitative analysis of the benefits or costs of Nucor’s BDR participation.

c. Are there other demand response participation pathways available for Nucor and what benefits or detriments, if any, do those alternative pathways have?

EMW POSITION: No. While Staff (and OPC) have identified so-called alternative pathways, none of them produce what Staff (and OPC) claim. Staff’s witness Hull points to Schedule MBDR (Sheet Nos. 156–156.3), direct SPP wholesale participation as a Block or Dispatchable Demand Response Resource, and aggregators of retail customers (“ARC”) [Hull Rebuttal at 5–6, 10–11]. Each pathway fails for the same reason. In SPP, only Evergy as the load-responsible entity earns resource adequacy value through its programs. Demand response routed

outside an Evergy program “cannot be utilized in Evergy’s Resource Adequacy workbooks.” [Meitner Surrebuttal at 3]. Likewise, ARC participation “does not address Evergy’s resource adequacy needs.” [Meitner Surrebuttal at 4–5]. And Schedule MBDR is, by its own terms, “available to BDR participants”—a supplement to MEEIA BDR, not a substitute, and one whose resource adequacy value EMW has already captured through BDR. [File Surrebuttal at 13–14; Meitner Surrebuttal at 3–4].

Three further reasons compound the defects of Staff’s proposals. First, MEEIA is the General Assembly’s and Commission-approved framework for valuing demand-side resources on par with supply-side investment, and the Commission has already approved EMW’s Cycle 4 BDR program with both budget and MW capacity. [File Surrebuttal at 3, 12]. The purpose of EMW’s MBDR program is to allow EMW customers to participate in SPP’s energy and ancillary services demand response activity and capture that potential benefit while also participating in Evergy’s BDR program (the purpose of which is to support capacity needs). While SPP could in principle credit MBDR toward Evergy’s resource adequacy as a market registered Block Demand Response or Dispatchable Demand Response Resource because it is an Evergy-managed program, as a practical matter the tariff and program is not designed to work that way given its purpose as an energy market participation vehicle. Per Commission Order, customers cannot participate in both non-Evergy DR programs and Evergy DR programs at the same time due to double-counting concerns; MBDR is the exception because both MBDR and BDR are managed by Evergy. [File Surrebuttal at 13–14].

Second, an off-MEEIA route unnecessarily denies EMW the earnings opportunity (“EO”) contemplated by both the statute and the Commission (in its Cycle 4 Order), and splinters the curtailment program EMW already runs. [File Surrebuttal at 12]. Third, the EO-2019-0244

Stipulation expressly disclaimed any binding effect on future Nucor demand response participation. [File Surrebuttal at 11–12]. At bottom, Staff’s off-MEEIA construct asks the Commission to fruitlessly side-step the statute that governs this resource.

B. Would the existing hold-harmless and cost-tracking protections in the Nucor Agreement, Schedule SIL, and the Stipulation approved in File No. EO-2019-0244 protect non-Schedule SIL customers from any cost shift attributable to Nucor’s service under Schedule SIL if Nucor were to participate in any EMW demand response programs?

EMW POSITION: Yes. At each general rate case, EMW imputes revenue to cover any shortfall between Nucor’s rate revenues and the incremental cost to serve. [Nunn Surrebuttal at 5-7; File Direct at 10-12]. Any deficiency falls on shareholders, not other customers. [File Direct at 11–12]. In addition, SIL-specific fuel adjustment clause (“FAC”) subaccounts (555, 447, 561, 565, 575) separately track the Nucor power purchase agreement (“PPA”), the market, and transmission costs and revenues, with monthly identification in FAC reports to the Commission. [Sched. BF-4 at 3–4]. When Nucor’s load deviates from expected by 25% for more than four hours outside day-ahead commitments, EMW quantifies and apportions any incremental SPP balancing charges into the FAC. [File Direct at 11–12]. FAC tracking has produced only minor adjustments, and the most recent accumulation period delivered a net decrease of approximately \$13,000 to non-Nucor customers. [File Direct at 12; Sched. BF-6].

Staff witness Tevie proposes to load MEEIA program costs into the SIL hold-harmless calculation [Tevie Rebuttal at 3], but he conflates two unrelated mechanisms. Put simply, MEEIA program costs and incentives flow through the demand side investment mechanism (“DSIM”) Rider, not base rates or the SIL hold-harmless provision. [Nunn Surrebuttal at 3]. Moreover, the Company has provided testimony that the primary purpose of Nucor’s participation in EMW’s MEEIA BDR is to support Evergy’s resource adequacy obligations for its EMW customers. [File Surrebuttal at 5–7; File Direct at 4–7]. The Commission has already approved this construct in the

MEEIA Cycle 4 Order currently in effect. [File Surrebuttal at 3, 12]. In addition, the Commission has already ruled that opt-out customers may participate in BDR even while DSIM costs flow to other customers. [Nunn Surrebuttal at 3; File Surrebuttal at 4–5]. Importing Nucor’s incentive into the SIL hold-harmless mechanism would force shareholders to fund participation while every other customer pockets the system-wide capacity benefits. Ms. Nunn correctly characterizes this result as “absurd.” [Nunn Surrebuttal at 4]. As for Mr. Tevie’s separate concern about incremental wind-PPA capacity after SPP’s accreditation change [Tevie Rebuttal at 5–7], it is an SIL-mechanics issue, not a demand-response issue. The Stipulation already prices that incremental capacity into the next rate-case hold-harmless calculation. [Nunn Surrebuttal at 5–7].

Moreover, the hold-harmless protection is broader than the FAC mechanism alone. In addition to excluding net fuel and purchased-power costs and specific transmission costs from the FAC, EMW tracks all incremental costs needed to serve electricity to Nucor. At each general rate case, EMW compares Nucor’s revenues to those incremental costs, and if there is a shortfall the revenue requirement is reduced by the amount of the shortfall so that non-Schedule SIL customers are held harmless. The SIL Stipulation and Agreement relates specifically to the provision of electricity to Nucor and to no other cost. [Nunn Surrebuttal at 3–5; File Direct at 10–12].

Consistent with that limitation, Paragraph 8 of the Non-Unanimous Stipulation and Agreement approved by the Commission in File No. EO-2019-0244 provides that at the time of a general rate proceeding, “the portion of [the Company’s] revenue requirement associated with the incremental costs net of PPA net revenues to serve Nucor ... shall be assigned to Nucor,” and that any shortfall between Nucor’s revenues and Nucor’s costs is to be cured through “an additional revenue adjustment covering the shortfall to the revenue requirement calculation through the true-up period, to ensure that non-Nucor ... customers will be held harmless from such effects from the

Nucor service.” [Non-Unanimous Stipulation and Agreement, File No. EO-2019-0244, ¶8 (Sept. 19, 2019)].

C. If the Commission approves Nucor’s participation in the MEEIA BDR program, what, if any, impact should that have on EMW’s ability to receive an earnings opportunity for verified savings produced by Nucor’s participation under § 393.1075.3(3), RSMo?

EMW POSITION: None, given EMW’s voluntary carve-out. EMW has proposed that any Nucor kilowatts (“kW”) contributed to its 2027 demand response goals “will not count towards Everygy meeting the 65% threshold of goal for Earning’s Opportunity to be vested.”² [File Surrebuttal at 9]. EMW is already on track to clear the 65% vesting threshold without Nucor’s contribution. [File Surrebuttal at 9]. As a result, the carve-out forecloses any target-arbitrage concern. With it in place, EMW should receive the standard earnings opportunity for Nucor’s verified savings on the same pay-for-performance terms that govern every other MEEIA BDR participant. [File Surrebuttal at 10–11]. The Commission set the Cycle 4 EO structure when it approved the Cycle 4 Stipulation, and nothing in the statute or the Commission’s prior orders carves Nucor out. [File Surrebuttal at 6–7].

MEEIA requires the Commission to value demand-side management (“DSM”) equally with supply-side investment, and to provide timely earnings opportunities for cost-effective, measurable, verifiable savings. [File Surrebuttal at 12]. A third party independently validates the MW Nucor delivers, so the EO attaches only to verified value. [File Surrebuttal at 10]. Everygy’s program design is already aligned with valuing demand response based on accredited capacity values, so any future changes in SPP’s accreditation methodology are accounted for through the

² To the extent the surrebuttal testimony of Mr. Payne is read to oppose EMW’s recovery of the standard EO payment on Nucor’s verified savings once the 65% vesting threshold is met [Payne Surrebuttal at 6–7], EMW disagrees and opposes any such limitation. EMW’s voluntary carve-out addresses target-arbitrage concerns by excluding Nucor’s contributed kW from the threshold calculation. It does not, and was not intended to, waive EMW’s eligibility for the standard pay-for-performance EO on third-party-verified savings once the EO has vested.

MEEIA program design and are not a Nucor-specific issue. [File Surrebuttal at 5–7, 10]. Stripping the EO would penalize EMW for delivering exactly the resource the statute is designed to procure, against the provisions of MEEIA.

WHEREFORE, EMW respectfully requests that the Commission approve the Stipulation and Agreement inclusive of its proposed Amendment to the Nucor Agreement, find that the existing hold-harmless and cost-tracking protections are sufficient, and confirm EMW’s eligibility for the standard MEEIA earnings opportunity based on Nucor’s verified savings.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served upon counsel for all parties on this 20th day of May 2026, by EFIS filing and notification, and/or e-mail.

/s/ Roger W. Steiner

Roger W. Steiner

Evergy Missouri West, Inc. d/b/a Evergy Missouri West

Docket No.: EO-2026-0129

Date: May 20, 2026

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Document/Page	Reason for Confidentiality from List Below
Position Statement, pp. 2 and 4	1

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